

Proposed additions are underscored; proposed deletions are enclosed in [brackets].

**RULES
OF
NATIONAL STOCK EXCHANGE, INC.**

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CHAPTER I. Adoption, Interpretation and Application of Rules, and Definitions.

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Rule 1.5. Definitions

Unless the context otherwise requires, for [all] purposes of these Exchange Rules, terms used in Exchange Rules shall have the meaning assigned in Article I of the By-Laws or as set forth below:

A. – S. *No changes.*

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Trading Center

(2) The term “Trading Center” shall mean other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers.

U. – Z. *No changes.*

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CHAPTER II. ETP Holders of the Exchange

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Rule 2.11. NSX Securities[,] LLC

(a) For so long as NSX Securities[,] LLC (“NSX Securities” or “NSXS”) is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to

other [securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers (collectively, "Trading Centers")] for execution (such function of NSX Securities is referred to as the "Outbound Router"), each of the Exchange and NSX Securities shall undertake as follows:

(1) – (4) *No changes.*

(5) NSX Securities and any third-party routing broker-dealer used by the Exchange to route orders to other Trading Centers (collectively, the "Routing Broker") shall maintain an account for the purpose of addressing positions that result from a systems, technical or operational issue at the Exchange, the Routing Broker, or the destination Trading Center that affects one or more orders ("Error Positions").

For the purposes of this paragraph (a)(5):

(i) Error Positions include any action or omission by NSX, the Routing Broker, or another Trading Center to which an order has been routed that results in an unmatched trade position due to the execution of such routed order and for which there is no corresponding order with which to pair the execution.

(ii) The Exchange or the Routing Broker shall assign all Error Positions resulting from a particular systems, technical or operational issue to the ETP Holders affected by that systems, technical or operational issue if the Routing Broker or the Exchange:

(A) determines that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the ETP Holders affected by that systems, technical or operational issue;

(B) determines that it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the ETP Holders affected by that systems, technical or operational issue; and

(C) has not determined to cancel all orders affected by that systems, technical or operational issue.

(iii) If the Routing Broker reasonably concludes, due to the number of erroneous executions and/or the number of ETP Holders potentially affected, that it would not be able to assign each Error Position back to such ETP Holders by the end of Regular Trading Hours on the first business day following the trade date on which the Error Position was established ("T+1"), then the Routing Broker will assume the entire amount of the Error Position in its error account.

(iv) Except as provided in Rule 2.11(a)(5)(v), the Routing Broker shall not accept any positions in such error account from an account of an ETP Holder or permit any ETP Holder to transfer any positions from the ETP Holder's account to a Routing Broker error account.

(v) If a systems, technical or operational issue results in the Exchange not having valid clearing instructions from an ETP Holder to a trade, the Routing Broker may assume that ETP Holder's side of the trade so that the trade can be automatically processed for clearing and settlement on a locked-in basis pursuant to Rule 11.17(b).

(6) If the Exchange or the Routing Broker is unable to assign all Error Positions resulting from a particular technical, systems or operational issue to all of the affected ETP Holders in accordance with paragraph (a)(5) above, or if the Exchange or the Routing Broker determines to cancel all orders affected by the systems, technical or operational issue in accordance with Rule 11.11(e), the Routing Broker shall liquidate any Error Positions as soon as practicable, as follows:

(i) NSX and NSXS will provide complete time and price discretion for the trading to liquidate the Error Positions to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading;

(ii) NSX and NSXS shall establish, maintain and enforce written policies and procedures reasonably designed to restrict the flow of confidential and proprietary information associated with the liquidation of the Error Positions in accordance with this Rule, and prevent the use of information associated with other orders subject to the routing services when making determinations regarding the liquidation of Error Positions; and

(iii) NSX and NSXS shall make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to ETP Holders or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through a third-party broker-dealer in accordance with Exchange Act Rule 17a-4.

(b) *No changes.*

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Chapter XI. Trading Rules

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Rule 11.11. Orders and Modifiers

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(a) – (c) *No changes.*

(d) *Cancel/Replace Messages.* A User may, by appropriate entry in the System, cancel or replace an existing order entered by the User, subject to the following limitations.

[(i)](1) *No changes to rule text.*

[(ii)](2) *No changes to rule text.*

[(iii)](3) *No changes to rule text.*

[(iv)](4) *No changes to rule text.*

(e) Cancellation of Orders By NSX or NSX Securities

The Exchange, NSX Securities or a third-party routing broker may cancel orders as deemed to be necessary to maintain fair and orderly markets if and when systems, technical or operational issues occur at the Exchange, NSX Securities or a third-party routing broker, or a Trading Center. A routing broker may only cancel orders routed to another Trading Center based on NSX's standing or specific instructions or as otherwise provided in the Exchange Rules. The Exchange shall provide notice of the cancellation of orders to each affected ETP Holder via telephonic communication and/or electronic mail as soon as practicable.

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Rule 11.15. Order Execution

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(a) *Orders Other than Sweep Orders.*

(i) *No changes.*

(ii) *Routing to Away Trading Centers.* Unless the terms of the order direct otherwise, if an order (other than a Sweep Order) has not been executed in its entirety pursuant to paragraph (a)(i) of this Rule, the order shall be eligible for routing away as follows:

(A) The order will be converted into one or more limit IOC Orders, as necessary, to be matched for potential execution at the away Trading Centers [(as defined in Rule 2.11)] designated by Routing Logic. Each such converted limit order shall be priced as follows:

(1) – (2) *No changes.*

(B) Each converted limit IOC Order will be routed to the designated Trading Center [(as defined in Rule 2.11)] for potential execution according to the Routing Logic. No orders routed away pursuant to this subsection (ii) shall be marked ISO.

(C) *No changes.*

(iii) – (iv) *No changes.*

(b) – (e) *No changes.*

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Rule 11.18. [LIMITATION OF LIABILITY

(A) NEITHER THE EXCHANGE NOR ITS AGENTS, EMPLOYEES, CONTRACTORS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS OR AFFILIATES (“EXCHANGE RELATED PERSONS”) SHALL BE LIABLE TO ANY USER OR ETP HOLDER, OR SUCCESSORS, REPRESENTATIVES OR CUSTOMERS THEREOF, OR ANY PERSONS ASSOCIATED THEREWITH, FOR ANY LOSS, DAMAGES, CLAIM OR EXPENSE:

(1) GROWING OUT OF THE USE OR ENJOYMENT OF ANY FACILITY OF THE EXCHANGE, INCLUDING, WITHOUT LIMITATION, THE SYSTEM; OR

(2) ARISING FROM OR OCCASIONED BY ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF OR FROM THE COLLECTION, CALCULATION, COMPILATION, MAINTENANCE, REPORTING OR DISSEMINATION OF ANY INFORMATION DERIVED FROM THE SYSTEM OR ANY OTHER FACILITY OF THE EXCHANGE, RESULTING EITHER FROM ANY ACT OR OMISSION BY THE EXCHANGE OR ANY EXCHANGE RELATED PERSON, OR FROM ANY ACT CONDITION OR CAUSE BEYOND THE REASONABLE CONTROL OF THE EXCHANGE OR ANY EXCHANGE RELATED PERSON, INCLUDING, BUT NOT LIMITED TO, FLOOD, EXTRAORDINARY WEATHER CONDITIONS, EARTHQUAKE OR OTHER ACTS OF GOD, FIRE, WAR, TERRORISM, INSURRECTION, RIOT, LABOR DISPUTE, ACCIDENT, ACTION OF GOVERNMENT, COMMUNICATIONS OR POWER FAILURE, OR EQUIPMENT OR SOFTWARE MALFUNCTION.

(B) EACH ETP HOLDER EXPRESSLY AGREES, IN CONSIDERATION OF THE ISSUANCE OF THE ETP, TO RELEASE AND DISCHARGE THE EXCHANGE AND ALL EXCHANGE RELATED PERSONS OF AND FROM ALL CLAIMS AND DAMAGES ARISING FROM THEIR ACCEPTANCE AND USE OF THE FACILITIES OF THE EXCHANGE (INCLUDING, WITHOUT LIMITATION, THE SYSTEM).

(C) NEITHER THE EXCHANGE NOR ANY EXCHANGE RELATED PERSON MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS TO USERS AS TO RESULTS THAT ANY PERSON OR PARTY MAY OBTAIN FROM THE SYSTEM FOR TRADING OR FOR ANY OTHER PURPOSE, AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, TITLE, AND NON-INFRINGEMENT WITH RESPECT TO THE SYSTEM ARE HEREBY DISCLAIMED.]

Limitation of Liability

(a) Neither the Exchange nor its agents, employees, contractors, officers, directors, committee members or affiliates ("Exchange Related Persons") shall be liable to any user or ETP Holder, or successors, representatives or customers thereof, or any persons associated therewith, for any loss, damages, claim or expense:

(1) growing out of the use or enjoyment of any facility of the Exchange, including, without limitation, the System; or

(2) arising from or occasioned by any inaccuracy, error or delay in, or omission of or from the collection, calculation, compilation, maintenance, reporting or dissemination of any information derived from the System or any other facility of the Exchange, resulting either from any act or omission by the Exchange or any Exchange Related Person, or from any act condition or cause beyond the reasonable control of the Exchange or any Exchange Related Person, including, but not limited to, flood, extraordinary weather conditions, earthquake or other acts of God, fire, war, terrorism, insurrection, riot, labor dispute, accident, action of government, communications or power failure, or equipment or software malfunction.

(b) Each ETP Holder expressly agrees, in consideration of the issuance of the ETP, to release and discharge the Exchange and all Exchange Related Persons of and from all claims and damages arising from their acceptance and use of the facilities of the Exchange (including, without limitation, the System).

(c) Neither the Exchange nor any Exchange Related Person makes any express or implied warranties or conditions to users as to results that any person or party may obtain from the System for trading or for any other purpose, and all warranties of merchantability or fitness for a particular purpose or use, title, and non-infringement with respect to the System are hereby disclaimed.

(d)(1) Notwithstanding the provisions of paragraph (a) above, and subject to the express limits set forth below, whenever a valid unexecuted order is entered by an ETP Holder into the Exchange's System and the receipt of such order is acknowledged by the Exchange, the Exchange's liability for a loss sustained by an ETP Holder as a result of a failure of the Exchange's systems or facilities, as defined below, or for the negligent acts or omissions of Exchange employees in connection with such order, shall be subject to the provisions of this paragraph (d) and no assets of the Exchange shall be applied or shall be subject to such liability in excess of the limits set forth below.

(2) An Exchange system failure is defined as an actual malfunction in the physical equipment and/or programming in the Exchange's systems or facilities that results in an incorrect execution or no execution of a valid, marketable order that was received and acknowledged by Exchange systems.

(3) As to any one or more claims made by a single ETP Holder under this rule on a single trading day, the Exchange shall not be liable in excess of the greater of

\$100,000 or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.

(4) As to the aggregate of all claims made by all ETP Holders under this rule on a single trading day, the Exchange shall not be liable in excess of the greater of \$250,000 or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.

(5) As to the aggregate of all claims made by all ETP Holders under this rule during a single calendar month, the Exchange shall not be liable in excess of the greater of \$500,000 or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.

(6) In the event that all of the claims made under this rule cannot be fully satisfied because in the aggregate they exceed the applicable maximum limitations provided in this rule, then the maximum permitted amount will be proportionally allocated among all such claims arising during a single trading day or single calendar month based on the proportion that each such claim bears to the total amount of all such claims.

(7) All claims for compensation pursuant to this rule shall be in writing and must be submitted no later than the close of Regular Trading Hours on the next business day following the day on which the system failure or the negligent acts or omissions of the Exchange's employees gave rise to such claims.

(8) In reviewing claims made by ETP Holders pursuant to this paragraph (d), the Exchange will verify that: (i) a valid order was entered by the ETP Holder and accepted and acknowledged by the Exchange's System; (ii) an Exchange system failure or a negligent act or omission by an Exchange employee occurred during the handling or execution of that order; and (iii) that the ETP Holder's loss resulted from such system failure or negligent act or omission. The Exchange will assess the extent to which the ETP Holder's conduct may have contributed to the loss and may adjust the amount to be paid on the claim by the Exchange.

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